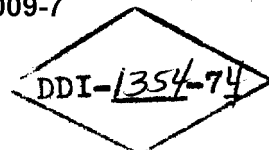


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30 April 1974

MEMORANDUM FOR : Deputy Director for Intelligence

SUBJECT : Agency Support of Federal Energy
Office Working Group on the
International Aspects of Project
Independence

1. The Federal Energy Office is currently establishing a series of working groups to study the international aspects of Project Independence. The overall objective of FEO's work is to develop net assessments of alternative US international policies in support of Project Independence and to draft legislation recommending specific US Government policy actions.

2. The various committees, which are described in more detail in Attachment 1, will study such aspects of international energy as supply and demand projections through 1985/1990, the probability and costs of future supply interruptions, international petroleum transportation and distribution, national security problems, international economic considerations, the impact of subsidies, tariffs, and quotas on US energy prices, and implications of US reserve or stockpile programs for domestic supply and demand. CIA has been asked to participate with the NSC in the world energy baseline projection of supply and demand through 1985/1990 and, with State and Treasury, in a study of the probabilities of supply interruptions for alternative import patterns.

3. I believe our basic role in this massive undertaking is to let the assignments stand as currently allocated by FEO, even though we have the capability and expertise to perform additional work on other aspects of the project. Our direct participation should be at a minimum due to our current heavy schedule in support of the International Energy Review Group and FEO, but we can be flexible and

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make bilateral informal support arrangements with other agencies or departments as requested. My specific feelings on this project are spelled out in my 29 April 1974 memo to the Director of the Office of Economic Research (Attachment 2).

4.2. As the FEO project involves both political and economic factors in the international energy scene, I feel that the tasking of Agency support best falls at the DDI level, so that appropriate allocations of responsibilities can be coordinated among several offices. Please note on page 6 of Attachment 1 that working group drafts are due 14 June and that FEO would like to discuss the scope and direction of each agency's research by 3 May.

[Redacted Signature Box]

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James H. Critchfield
NIO/Energy

Attachment:

- #1 - 26 April FEO Memo
- #2 - 29 April Memo to D/OER

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MEMORANDUM FOR: Messrs. Proctor/Walsh

Attached are two papers just received from Critchfield that discuss in some detail FEO's ambitious Project Independence and OER's role in same.

[] claims he has coordinated all this with Maurice and plans to take [] [] with him to the FEO planning session tomorrow. (See last paragraph of covering memo.)

2 May 1974
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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